Public Law 99-506
99th Congress

An Act

To extend and improve the Rehabilitation Act of 1973.

Oct. 21, 1986
[H.R. 4021]

Rehabilitation Act Amendments of 1986.
29 USC 701 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Rehabilitation Act Amendments of 1986".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

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TITLE I—AMENDMENTS TO THE GENERAL PROVISIONS

29 USC 701.

SEC. 101. STATEMENT OF PURPOSE.

Section 2 of the Rehabilitation Act of 1973 (hereinafter referred to as the "Act") is amended by inserting immediately before the period at the end thereof a comma and "for individuals with handicaps in order to maximize their employability, independence, and integration into the workplace and the community".

29 USC 702.

SEC. 102. REHABILITATION SERVICES ADMINISTRATION.

(a) QUALIFICATION OF COMMISSIONER.—Section 3 of the Act is amended by inserting after the second sentence the following new sentence: "The Commissioner shall be an individual with substantial experience in rehabilitation and in rehabilitation program management.".

(b) STAFFING.—Section 3 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall take such action as necessary to ensure that—

"(1) the staffing of the Rehabilitation Services Administration shall be in sufficient numbers to meet program needs and at levels which will attract and maintain the most qualified personnel; and

"(2) such staff includes individuals who have training and experience in the provision of rehabilitation services and that staff competencies meet professional standards.".

SEC. 103. DEFINITIONS. 29 USC 706.

(a) EVALUATION OF REHABILITATION POTENTIAL.—Paragraph (5) of section 7 of the Act is amended—

(1) by inserting "recreational," in subparagraph (B) after "cultural, social,";

(2) by inserting "employability" after "individual's" the second time it appears;

(3) by striking out "and" at the end of subparagraph (F);

(4) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "and"; and

(5) by adding at the end thereof the following new subparagraph:

"(H) where appropriate, the provision of rehabilitation engineering services to any individual with a handicap to assess and develop the individual's capacities to perform adequately in a work environment.".

(b) EMPLOYABILITY.—Section 7 of the Act is amended by redesignating paragraphs (6) through (10) as paragraphs (7) through (11), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) The term 'employability', with respect to an individual, means a determination that, with the provision of vocational rehabilitation services, the individual is likely to enter or retain, as a primary objective, full-time employment, and when appropriate, part-time employment, consistent with the capacities or abilities of the individual in the competitive labor market or any other vocational outcome the Secretary may determine consistent with this Act.".

(c) FEDERAL SHARE.—

(1) Effective October 1, 1988, section 7(7) of the Act (as redesignated by subsection (b)) is amended to read as follows: Effective date.

"(7)(A) Subject to subparagraphs (B) and (C), the term 'Federal share' means 80 percent.

"(B) For any fiscal year for which payments to a State under section 111(a) exceed such payments for fiscal year 1988, the Federal share for those payments in excess of the fiscal year 1988 amount shall be 79 percent for fiscal year 1989, 78 percent for fiscal year 1990, 77 percent for fiscal year 1991, 76 percent for fiscal year 1992, and 75 percent for fiscal year 1993. 29 USC 731.

"(C) The term 'Federal share' means 90 percent for the purposes of part C of title I of this Act and as specifically set forth in section 301(b)(3), except that with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to the State. 29 USC 740. 29 USC 771. 29 USC 730. 29 USC 723.

"(D) For the purpose of determining the non-Federal share with respect to a State, expenditures by a political subdivision thereof or by a local agency shall be regarded as expenditures by such State, subject to such limitations and conditions as the Secretary shall by regulation prescribe.". State and local governments.

Effective date.
29 USC 730.

(2) Effective October 1, 1988, section 110(b)(2) of the Act is amended by striking out "80 percent" both places it appears and inserting in lieu thereof "the applicable Federal share".

(d) HANDICAPPED INDIVIDUAL.—

29 USC 706.

(1) Section 7(8) of the Act (as redesignated by subsection (b)) is amended by striking out "handicapped individual" both places it appears and inserting in lieu thereof "individual with handicaps"; and

(2) The Act is amended—

(A) by striking out "a handicapped individual" each place it appears and inserting in lieu thereof "an individual with handicaps";

(B) by striking out "handicapped individual" each place it appears and inserting in lieu thereof "individual with handicaps"; and

(C) by striking out "handicapped individuals" each place it appears and inserting in lieu thereof "individuals with handicaps".

Indians.

(e) LOCAL AGENCY.—Section 7(9) of the Act (as redesignated by subsection (b)) is amended in the first sentence by striking out "Indian tribal organization (or combination of such units or organizations)" and inserting "Indian tribe (or combination of such units or tribes)".

(f) REHABILITATION ENGINEERING.—Section 7 of the Act is further amended by redesignating paragraphs (11), (12), and (13) as paragraphs (13), (14), and (15), respectively, and by inserting before paragraph (13) (as redesignated) the following new paragraph:

"(12) The term 'rehabilitation engineering' means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with handicaps in areas which include education, rehabilitation, employment, transportation, independent living, and recreation.".

(g) REHABILITATION FACILITY.—Paragraph (13) of section 7 of the Act (as redesignated by subsection (f) of this section) is amended—

(1) by striking out "and" at the end of subparagraph (K);

(2) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a comma and "and"; and

(3) by adding at the end thereof "(M) psychosocial rehabilitation services for individuals with chronic mental illness.".

(h) SEVERE HANDICAP.—

(1) Paragraph (15) of section 7 of the Act (as redesignated by subsection (c)) is amended to read as follows:

"(15)(A) Except as provided in subparagraph (B), for purposes of this Act the term 'individual with severe handicaps' means an individual with handicaps (as defined in paragraph (8))—

"(i) who has a severe physical or mental disability which seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employability;

"(ii) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time; and

"(iii) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness,

head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or another disability or combination of disabilities determined on the basis of an evaluation of rehabilitation potential to cause comparable substantial functional limitation.

"(B) For purposes of title VII of this Act the term 'individual with severe handicaps' means an individual whose ability to function independently in family or community or whose ability to engage or continue in employment is so limited by the severity of his or her physical or mental disability that independent living rehabilitation services are required in order to achieve a greater level of independence in functioning in family or community or engaging or continuing in employment.". 29 USC 796.

(2) The Act is amended by striking out "severely handicapped individuals" each place it appears and inserting in lieu thereof "individuals with severe handicaps".

(i) SUPPORTED EMPLOYMENT.—Section 7 of the Act is further amended— 29 USC 706.

(1) by redesignating paragraphs (14) and (15) as paragraphs (16) and (17), respectively; and

(2) by adding at the end thereof the following new paragraph:

"(18) The term 'supported employment' means competitive work in integrated work settings—

"(A) for individuals with severe handicaps for whom competitive employment has not traditionally occurred, or

"(B) for individuals for whom competitive employment has been interrupted or intermittent as a result of a severe disability, and

who, because of their handicap, need on-going support services to perform such work. Such term includes transitional employment for individuals with chronic mental illness. For the purpose of this Act, supported employment as defined in this paragraph may be considered an acceptable outcome for employability.".

(j) INDIAN.—Section 7 of the Act is further amended by inserting at the end thereof the following new paragraphs:

"(19) The term 'public or nonprofit agency or organization' shall include an Indian tribe.

"(20) The terms 'Indian', 'American Indian', and 'Indian American' mean an individual who is a member of an Indian tribe.

"(21) The term 'Indian tribe' means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act).". 43 USC 1601 note.

SEC. 104. MONITORING, EVALUATION, AND ADMINISTRATION. 29 USC 711.

(a) MONITORING AND EVALUATION.—Section 12(a) of the Act is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) provide monitoring and conduct evaluations.".

29 USC 711.

(b) INFORMATION TASK FORCE.—Section 12(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) In carrying out the provisions of this Act, the Commissioner shall appoint such task forces as may be necessary to collect and disseminate information in order to improve the ability of the Commissioner to carry out the provisions of this Act.".

SEC. 105. REPORTS.

29 USC 712.

Section 13 of the Act is amended—

(1) in the first sentence by striking out "for transmittal" and inserting in lieu thereof "and";

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof ", including the activities and staffing of the information clearinghouse under section 15."; and

(3) by inserting at the end thereof "The annual report shall include an evaluation of the status of individuals with severe handicaps participating in programs under this Act.".

SEC. 106. EVALUATION.

29 USC 713.

(a) EVALUATION GENERAL RULE.—The first sentence of section 14(a) of the Act is amended to read as follows: "For the purpose of improving program management and effectiveness, the Commissioner shall evaluate all the programs authorized by this Act, their general effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, using appropriate methodology and evaluative research designs.".

(b) REPORT OF THE COMMISSIONER.—Section 14(c) of the Act is amended by inserting "including the standards used for such evaluations," after "effectiveness,".

(c) USE OF STANDARDS.—Section 14 of the Act is amended by striking out "Secretary" each time it appears and inserting in lieu thereof "Commissioner".

SEC. 107. TRANSFER OF FUNDS.

Section 16 of the Act is amended to read as follows:

"TRANSFER OF FUNDS

Contracts
Grants.
29 USC 715.

"SEC. 16. (a) Except as provided in subsection (b) of this section, no funds appropriated under this Act for any research program or activity may be used for any purpose other than that for which the funds were specifically authorized.

"(b) No more than one-half of 1 percent of funds appropriated for discretionary grants, contracts, or cooperative agreements authorized by this Act may be used for the purpose of providing non-Federal panels of experts to review applications for such grants, contracts, or cooperative agreements.".

SEC. 108. STATE ADMINISTRATION.

(a) STATE ADMINISTRATION.—The Act is amended by inserting after section 16 the following new section:

"STATE ADMINISTRATION

"SEC. 17. The application of any State rule or policy relating to the administration or operation of programs funded by this Act (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.". 29 USC 716.

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 16 the following:

"Sec. 17. State administration.".

SEC. 109. REVIEW OF APPLICATIONS.

(a) REVIEW AUTHORIZED.—The Act is amended by inserting after section 17 (as added by section 108) the following new section:

"REVIEW OF APPLICATIONS

"SEC. 18. Applications for grants or contracts in excess of $60,000 in the aggregate authorized to be funded under this Act other than grants or contracts for evaluations, dissemination, or conferences shall be reviewed by panels of experts which shall include a majority of non-Federal members. Non-Federal members may be provided travel, per diem, and consultant fees not to exceed the rate provided for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.". Grants. Contracts. 29 USC 717.

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 16 the following:

"Sec. 18. Review of applications.".

TITLE II—VOCATIONAL REHABILITATION SERVICES

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) STATE GRANT AUTHORIZATION.—Section 100(b)(1) of the Act is amended to read as follows— 29 USC 720.

"(b)(1)(A) For the purpose of making grants to States under part B of this title (other than grants under section 112) to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $1,281,000,000 for fiscal year 1987 and the amount determined under subsection (c) for each of the fiscal years 1988, 1989, 1990, and 1991. The amount determined under subsection (c) for each fiscal year shall be based upon the amount authorized by this subsection, or the amount appropriated for this subsection, whichever is higher, plus the amount of the Consumer Price Index addition determined under subsection (c) for the immediately preceding fiscal year. 29 USC 732. 29 USC 721.

"(B) In addition, there are authorized to be appropriated for such purpose such additional sums as may be necessary for each of the fiscal years 1987 through 1991. Any such sums shall be allocated in accordance with section 110(a)(4). 29 USC 730.

"(C) In no event may the amount appropriated for the purpose of making grants to States under part B of this title (other than section 112) be more than $1,281,000,000 for fiscal year 1987, $1,409,100,000

for fiscal year 1988, $1,550,010,000 for fiscal year 1989, $1,705,011,000 for fiscal year 1990, and $1,875,512,100 for fiscal year 1991.".

(b) INNOVATION AND EXPANSION GRANTS AUTHORIZATION.—Section 100(b)(2) of the Act is amended to read as follows:

29 USC 720.
29 USC 740.

"(2) For the purpose of allotments under section 120(a)(1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.".

(c) CONFORMING AMENDMENT.—Section 100(d) of the Act is amended by striking out "1986" and inserting "1991".

SEC. 202. STATE PLANS.

(a) ASSESSMENT OF REHABILITATION NEEDS.—

29 USC 721.

(1) Section 101(a)(5)(A) of the Act is amended—

(A) by inserting "the results of a comprehensive, Statewide assessment of the rehabilitation needs of individuals with severe handicaps residing within the State and the State's response to the assessment," after "including";

(B) by inserting after "severe handicaps" the first time it appears, the following: "including individuals served under part C of title VI of this Act,";

Post, p. 1834.

(C) by striking out "show (i)" and inserting in lieu thereof "(i) show and provide the justification for"; and

(D) by inserting "show" after "(ii)".

(2) Section 101(a)(5) of the Act is amended—

(A) by striking out "and" at the end of subclause (A);

(B) by inserting "and" at the end of subclause (B); and

(C) by adding at the end thereof the following new subclause: "(C) describe how rehabilitation engineering services will be provided to assist an increasing number of individuals with handicaps;".

(b) PERSONNEL.—Section 101(a)(7)(B) of the Act is amended by inserting "qualified" after "facilities and".

(c) PROVISION OF SERVICES.—Section 101(a)(8) of the Act is amended to read as follows:

29 USC 723.

"(8) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) and clause (12) of section 103(a), and for the provision of such other services as are specified under such section after a determination that comparable services and benefits are not available under any other program, except that such determinations shall not be required where it would delay the provision of such services to any individual at extreme medical risk;".

(d) COOPERATIVE ARRANGEMENTS.—Section 101(a)(11) of the Act is amended by inserting "community mental health programs," after "veterans programs,".

(e) NEEDS ASSESSMENT.—Section 101(a)(15) of the Act is amended—

(1) by striking out "(including" and inserting in lieu thereof ", including conducting a full needs assessment for serving individuals with severe handicaps and including"; and

(2) by striking out "agency)" and inserting in lieu thereof "agency".

(f) CONSULTATION WITH INDIAN TRIBES.—Section 101(a)(20) of the Act is amended by inserting "as appropriate, the State shall actively consult with Indian tribes and tribal organizations and native Hawaiian organizations in the development of the State plan, and that," after "Commissioner that,".

(g) PUBLIC MEETINGS; TRANSITION.—Section 101(a) of the Act is amended— 29 USC 721.

(1) in paragraph (21) by striking out "and" after "organizations;";

(2) in paragraph (22) by striking out the period and inserting in lieu thereof a semicolon; and

(3) by inserting at the end thereof the following new paragraphs:

"(23)(A) provide satisfactory assurances that in the formulation of policies governing the provision of the rehabilitation services consistent with the State plan, and any revisions, that the State agency conducts public meetings throughout the State, after appropriate and sufficient notice, to allow interested groups and organizations and all segments of the public an opportunity to comment on the State plan, and (B) include a summary of such comments and the State agency's response to such comments;

"(24) contain the plans, policies, and methods to be followed to assist in the transition from education to employment related activities.".

(h) SUPPORTED EMPLOYMENT SERVICES.—Section 101(a) of the Act (as amended by subsection (g))—

(1) by striking out the period at the end of clause (24) and inserting in lieu thereof a semicolon and the word "and"; and

(2) by adding at the end thereof the following new clause:

"(25) provide satisfactory assurances that the State has an acceptable plan for part C of title VI.". *Post*, p. 1834.

SEC. 203. INDIVIDUALIZED REHABILITATION PROGRAM.

(a) INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM.—Section 102(b) of the Act is amended to read as follows: 29 USC 722.

"(b)(1) Each individualized written rehabilitation program shall—

"(A) be developed on the basis of a determination of employability designed to achieve the vocational objective of the individual;

"(B) include a statement of the long-range rehabilitation goals based on an assessment determined through an evaluation of rehabilitation potential for the individual;

"(C) include a statement of the intermediate rehabilitation objectives related to the attainment of such goals based on an assessment determined through an evaluation of rehabilitation potential;

"(D) where appropriate, include a statement of the specific rehabilitation engineering services to be provided to assist in the implementation of intermediate objectives and long-range rehabilitation goals for the individual;

"(E) include an assessment of the expected need for post-employment services;

"(F) include a statement of the specific vocational rehabilitation services to be provided and the projected dates for the initiation and the anticipated duration of each such service;

"(G) include objective criteria and an evaluation procedure and schedule for determining whether such goals and objectives are being achieved;

"(H) provide for a reassessment of the need for post-employment services prior to case closure and, where appropriate, for severely handicapped individuals, the development of a state-

ment detailing how such services shall be provided or arranged through cooperative agreements with other service providers; and

"(I) provide a description of the availability of a client assistance project established in such area pursuant to section 112.

29 USC 732.

"(2) Each individualized written rehabilitation program shall be reviewed annually at which time such individual (or in appropriate cases, the parents or guardian of the individual) will be afforded an opportunity to review such program and jointly redevelop and agree to its terms. Each individualized written rehabilitation program shall be revised as needed.".

29 USC 722.

(b) REVIEW OF DETERMINATIONS.—Section 102(d) of the Act is amended to read as follows:

State and local governments.

"(d)(1) Except as provided in paragraph (4), the Director of any designated State unit shall establish procedures for the review of determinations made by the rehabilitation counselor or coordinator under this section, upon the request of an individual with handicaps (or, in appropriate cases, such individual's parents or guardian).

"(2) Such review procedures shall provide an opportunity to such individuals for the submission of additional evidence and information to an impartial hearing officer who shall make a decision based on the provisions of the State plan approved under section 101(a).

Ante, p. 1814.

"(3)(A) Within 20 days of the mailing of the decision to the individual with handicaps (or, in appropriate cases, such individual's parents or guardian), the Director shall notify such individuals of the intent to review such decision in whole or in part.

"(B) If the Director decides to review the decision, such individuals shall be provided an opportunity for the submission of additional evidence and information relevant to a final decision.

Reports.

"(C) A final decision shall be made in writing by the Director and shall include a full report of the findings and the grounds for such decision. When a final decision is made, a copy of such decision shall be provided to such individuals.

"(D) Except as provided in paragraph (4), the Director may not delegate responsibility to make any such final decision to any other officer or employee of the designated State unit.

State and local governments.

"(4)(A) A fair hearing board, established by a State before January 1, 1985, and authorized under State law to review determinations under this Act, is authorized to carry out the responsibilities of the Director under this subsection.

"(B) The provisions of paragraphs (1) through (3) of this subsection shall not apply to any State to which subparagraph (A) of this paragraph applies.".

Reports.

"(5)(A) The Director shall collect data described in subparagraph (B) and prepare and submit to the Commissioner a report containing such data. For the report submitted on or before February 1, 1988, the Commissioner shall prepare a summary of the information furnished under this paragraph and include the summary in the annual report submitted under section 13.

Ante, p. 1812.

"(B) The data required to be collected under this paragraph shall include—

"(1) a description of State procedures for review;

"(2) the number of appeals to the independent hearing officer and the State Director, including the type of complaint and the issues involved;

"(3) the number of decisions by the State Director reversing in whole or in part the decision of the impartial hearing officer; and

"(4) the number of decisions affirming the position of the individual with handicaps assisted through the client assistance program.".

SEC. 204. SCOPE OF VOCATIONAL REHABILITATION SERVICES. 29 USC 723.

(a) REHABILITATION TECHNOLOGY.—Section 103(a)(1) of the Act is amended by inserting "evaluation by personnel skilled in rehabilitation engineering technology," after "appropriate,".

(b) POSTEMPLOYMENT SERVICES.—Section 103(a)(2) of the Act is amended by striking out "other postemployment services necessary to assist such individuals to maintain their employment and" and insert in lieu thereof "specific postemployment services necessary to assist such individuals maintain or regain employment, and other".

(c) REHABILITATION ENGINEERING SERVICES.—Section 103(a) of the Act is amended—

(1) by striking out "and" at the end of clause (10);

(2) by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause: "(12) rehabilitation engineering services.".

SEC. 205. NON-FEDERAL SHARE FOR CONSTRUCTION.

Section 104 of the Act is amended by striking out "title," and inserting in lieu thereof "title (or to an Indian tribe under part D of this title),". 29 USC 724.

SEC. 206. STATE ALLOTMENTS.

(a) ADDITIONAL PAYMENTS.—Section 110(b)(2) of the Act is amended— 29 USC 730.

(1) by striking out ", as a result of the maintenance of effort provisions of such section,"; and

(2) by inserting "for fiscal year 1972" after "of such State".

(b) REALLOTMENT.—Section 110(c) of the Act is amended to read as follows:

"(c)(1) Not later than forty-five days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title. 29 USC 731.

"(2) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall make such amount available for carrying out the purposes of this title to one or more other States to the extent the Commissioner determines that such other State will be able to use such additional amount during that fiscal year or to pay for initial expenditures during the subsequent fiscal year for carrying out such purposes.

"(3) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.".

29 USC 730.

SEC. 207. FUNDS FOR AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES.

Section 110 of the Act is amended—

(1) in subsection (a)(1) by striking out "For" and inserting in lieu thereof "Subject to the provisions of subsection (d), for"; and

(2) by inserting after subsection (c) the following subsection:

"(d)(1) For fiscal year 1987 and for each subsequent fiscal year, the Commissioner shall reserve from the amount appropriated under section 100(b)(1) for allotment under this section a sum, determined under paragraph (2), to carry out the purposes of part D of this title.

Ante, p. 1813.

"(2) For any fiscal year the sum shall be not less than ¼ of one percent and not more than one percent of the amount under paragraph (1), as determined by the Secretary.".

SEC. 208. PAYMENTS TO STATES; MAINTENANCE OF EFFORT.

29 USC 731.

Section 111(a) of the Act is amended to read as follows:

"SEC. 111. (a)(1) Except as provided in paragraph (2), from each State's allotment under this part for any fiscal year (including any additional payment to it under section 110(b)), the Commissioner shall pay to a State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for that State approved under section 101, including expenditures for the administration of the State plan.

Ante, p. 1814.

"(2)(A) The total of payments under paragraph (1) to a State for a fiscal year may not exceed its allotment under subsection (a) (and any additional payment under subsection (b)), of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17).

"(B) The amount otherwise payable to a State for a fiscal year under this section shall be reduced by any amount by which expenditures from non-Federal sources under the State plan during such year under this title are less than the average of the total of such expenditures for the three preceding fiscal years.

"(C) The Commissioner may waive or modify any requirement or limitation under paragraphs (A) and (B) if the Commissioner determines that a waiver or modification is an equitable response to exceptional or uncontrollable circumstances affecting the State.".

29 USC 732.

SEC. 209. CLIENT ASSISTANCE PROGRAM.

(a) INFORMATION ON AVAILABLE SERVICES.—Section 112(a) of the Act is amended by adding at the end thereof the following new sentence: "The client assistance program may provide information on the available services under this Act to any handicapped individuals in the State.".

(b) REDESIGNATION OF CLIENT ASSISTANCE AGENCY.—

(1) The last sentence of section 112(c)(1) of the Act is amended by inserting after "may" a comma and the following: "in the initial designation,".

(2) Section 112(c)(1) of the Act is amended—

(A) by inserting "(A)" after the paragraph designation; and

(B) by adding at the end thereof the following new paragraph:

"(B) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and only after notice and an opportunity for public comment has been given of the intention to make such redesignation.".

(c) PAYMENT OF ALLOTMENT.—Section 112(e)(3) of the Act is amended to read as follows: 29 USC 732.

"(3) Except as specifically prohibited by or as otherwise provided in State law, the Secretary shall pay to the agency designated under subsection (c) the amount specified in the application approved under subsection (f).".

(d) ALLOTMENT.—Paragraph (1) of section 112(e) of the Act is amended by inserting at the end thereof the following new subparagraph:

"(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $75,000 for States and $45,000 for territories.

"(ii) Subject to subsection (c), the Commissioner may increase the minimum allotment under subparagraph (A) for any fiscal year for which funds appropriated under this section for such fiscal year exceed the sums appropriated under this section for the preceding fiscal year by more than the percentage increase in the Consumer Price Index published monthly by the Bureau of Labor Statistics.".

(e) EMPLOYEE PROVISION.—Paragraph (1) of section 112(g) of the Act is amended by striking out ", or receive benefits of any kind directly or indirectly from".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 112(i) of the Act is amended to read as follows:

"(i) There are authorized to be appropriated $7,100,000 for fiscal year 1987, $7,550,000 for fiscal year 1988, $8,000,000 for fiscal year 1989, $8,450,000 for fiscal year 1990, and $8,796,000 for fiscal year 1991 to carry out the provisions of this section.".

SEC. 210. PAYMENTS TO STATES. 29 USC 741.

Section 121(b) of the Act is amended in the first sentence by striking out "the fiscal year ending September 30, 1986." and inserting in lieu thereof "fiscal year 1991.".

SEC. 211. AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES GRANTS. 29 USC 750.

(a) GRANTS.—Section 130(a) of the Act is amended to read as follows:

"SEC. 130. (a) The Commissioner, in accordance with the provisions of this part may make grants to the governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay 90 percent of the costs of vocational rehabilitation services for handicapped American Indians residing on such reservations. The non-Federal share of such costs may be in cash or in kind, fairly valued, and the Commissioner may waive such non-Federal share requirement in order to carry out the purposes of this Act.". State and local governments.

(b) APPLICATION.—Section 130(b) of the Act is amended—

(1) in paragraph (1)(B) by inserting immediately before the semicolon "and that, where appropriate, may include services traditionally used by Indian tribes";

(2) in paragraph (3) after "months" by inserting "or more than 36 months,"; and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) In making grants under this part, the Secretary shall give priority consideration to applications for the continuation of programs which have been funded under this part.

"(5) Nothing in this section may be construed to authorize a separate service delivery system for Indian residents of a State who reside in non-reservation areas.".

29 USC 750.

(c) ALLOTMENT.—Section 130 of the Act is amended by striking out all of subsection (c) and by redesignating subsection (d) as subsection (c).

SEC. 212. STUDY OF NEEDS OF AMERICAN INDIANS WITH HANDICAPS.

(a) STUDY OF NEEDS OF AMERICAN INDIANS WITH HANDICAPS.—Part D of title I of the Act is amended by inserting at the end thereof the following new section:

"STUDY OF NEEDS OF AMERICAN INDIANS WITH HANDICAPS

29 USC 752.

"SEC. 132. The Secretary shall conduct a study on the special problems and needs of Indians with handicaps both on and off the reservation, in consultation with the Director of the Office of Special Education and Rehabilitative Services, the Director of the National Institute on Disability and Rehabilitation Research, the Assistant Secretary of the Interior for Indian Affairs, the Director of Indian Health Services, representatives of affected Indian tribes and tribal groups, and other appropriate officials, organizations, and individuals. The study shall also evaluate the nature and extent of cooperative efforts among programs conducted under this Act. Not later than 12 months after the date of enactment of the Rehabilitation Act Amendments of 1986, the Secretary shall submit the results of such study, together with such recommendations as are appropriate, to the President and to the appropriate committees of the Congress.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after the item relating to section 131 the following:

"Sec. 132. Study of needs of handicapped American Indians.".

TITLE III—RESEARCH AND TRAINING

29 USC 761.

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 201(a) of the Act is amended to read as follows:

"SEC. 201. (a) There are authorized to be appropriated—

"(1) for the purpose of providing for the expenses of the National Institute on Disability and Rehabilitation Research under section 202, other than expenses to carry out section 204, such sums as may be necessary for fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1991; and

Infra; post, p. 1822.

"(2) $49,000,000 for fiscal year 1987, $52,000,000 for fiscal year 1988, $55,000,000 for fiscal year 1989, $58,000,000 for fiscal year 1990, and $60,378,500 for fiscal year 1991 for the purpose of carrying out section 204, of which $1,000,000 shall be available for fiscal year 1987, $1,050,000 for fiscal year 1988, $1,102,500 for fiscal year 1989, $1,160,000 for fiscal year 1990, and $1,208,000 for fiscal year 1991 for the purpose of carrying out the last sentence of section 204(b)(2)(C).".

29 USC 761a.

SEC. 302. REDESIGNATION OF NATIONAL INSTITUTE.

(a) REDESIGNATION.—Section 202 of the Act is amended by redesignating the "National Institute of Handicapped Research" as the "National Institute on Disability and Rehabilitation Research".

(b) REFERENCES.—The Act is amended by striking out "National Institute of Handicapped Research" each place it appears in the Act (including the table of contents) and inserting in lieu thereof "National Institute on Disability and Rehabilitation Research". Any reference in any other provision of law to the "National Institute of Handicapped Research" shall be considered to be a reference to the "National Institute on Disability and Rehabilitation Research". 29 USC 761a note.

SEC. 303. NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH. 29 USC 761a.

(a) AMERICAN INDIAN SERVICES.—Section 202(b) of the Act is amended—

(1) in paragraph (2) by inserting "tribal," after "State,"; and

(2) in paragraph (8) by inserting "the Bureau of Indian Affairs, the Indian Health Service," after "Administration,".

(b) PACIFIC BASIN REHABILITATION CENTER.—Section 202(j)(2) of the Act is amended—

(1) by inserting immediately before the period the following: "in order to improve services to individuals with handicaps through relevant rehabilitation research and training in the Pacific Basin and to assist in the coordination of rehabilitation services provided by a broad range of agencies and entities; and

(2) by adding at the end thereof the following: "Such Center shall (A) develop a sound demographic base, (B) analyze, develop, and utilize appropriate technology, (C) develop a culturally relevant rehabilitation manpower development program, and (D) facilitate interagency communication and cooperation, implementing advanced information technology.".

(c) RURAL REHABILITATION CENTER.—Section 202(j) of the Act is amended by inserting at the end thereof the following new paragraph:

"(3) The Director shall establish, directly or by grant or contract, a center associated with an institution of higher education, for research and training concerning the delivery of rehabilitation services to rural areas.". Contracts. Grants.

(d) GRANTS FOR TRAINING.—Section 202 of the Act is amended by inserting after subsection (j) the following subsection:

"(k) The Director shall make grants to institutions of higher education for the training of researchers in the field of rehabilitation of individuals with handicaps.".

(e) REPORT TO CONGRESS.—Section 202 of the Act is amended by inserting after subsection (k) the following new subsection:

"(l) The Director shall submit to the Congress, not later than one year after the date of the enactment of the Rehabilitation Act Amendments of 1986, policy recommendations for the establishment by the Congress of an agency designed to ensure (1) the development and cost-effective production and marketing of technological devices; and (2) the efficient distribution of such technology to individuals with handicaps. Such recommendations shall specifically evaluate the feasibility of the chartering by Congress of a private organization or the establishment of a joint public-private corporation to provide marketing and production-related services to the public and private sectors. The policy recommendation shall include suggested funding alternatives for an organization or agency and such other suggestions as the Director or the Committee on Handicapped Research may consider appropriate. Further such recommendations shall consider any potential conflicts of interest in the evaluation

and marketing of new products for use by individuals with handicaps. In developing such policy recommendations, the Director shall solicit the views of the Interagency Committee on Handicapped Research and shall submit any dissenting views offered by any member of that Committee together with the submission of policy recommendations.".

29 USC 761a.

(f) STUDY OF HEALTH INSURANCE PRACTICES.—Section 202 of the Act is amended by inserting after subsection (l) the following subsection:

Reports.

"(m) The Director shall conduct a study of health insurance practices and policies which affect individuals with handicaps. Not later than February 1, 1990, the Director shall submit a report of the study to the appropriate committees of the Congress.".

29 USC 761b.

SEC. 304. COMPOSITION OF INTERAGENCY COMMITTEE.

Section 203(a)(1) of the Act is amended—

(1) by inserting "the Director of the National Institute of Mental Health," after "Institutes of Health,"; and

(2) by inserting "the Assistant Secretary of the Interior for Indian Affairs, the Director of the Indian Health Service," after "Transportation,".

29 USC 762.

SEC. 305. RESEARCH.

Indians.

(a) RESEARCH ACTIVITIES.—Section 204(a) of the Act is amended in the first sentence by inserting "Indian tribes, and tribal organizations," after "education,".

(b) GENERAL AUTHORITY.—Section 204(a) of the Act is amended in the second sentence—

(1) by inserting "recreational," after "vocational, social,"; and

(2) by inserting "studies, analyses, and other activities related to supported employment;" after "special needs of handicapped individuals;".

(c) SPECIALIZED RESEARCH ACTIVITIES.—(1) Section 204(b) of the Act is amended—

(A) in the second sentence of paragraph (1) by striking out "Center," and inserting in lieu thereof "Center (and as appropriate shall include consideration of rural issues),";

(B) by adding at the end of paragraph (1) the following: "The peer review of all applications for the renewal of a Rehabilitation Research and Training Center grant shall take into account the past performance of the applicant in carrying out the grant. The host institution with which the Rehabilitation Research and Training Center is affiliated may not collect in excess of 15 percent in indirect cost charges. Beginning with fiscal year 1991, awards under clause (C) of this paragraph shall be made on a competitive basis.".

(2) Section 204(b)(2) of the Act is amended—

(A) by inserting "and disseminate" after "develop" in clause (A);

Rural areas.
Urban areas.
Handicapped persons.

(B) by striking out "and to (B)" and inserting in lieu thereof "(B) demonstrate and disseminate innovative models for the delivery to rural and urban areas of cost-effective rehabilitation engineering services that promote utilization of engineering and other scientific research to assist in meeting the employment and independent living needs of individuals with severe handicaps, to (C)"; and

(C) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and to (D) demonstrate and disseminate innovative models for the delivery of cost-effective rehabilitation engineering services to assist in meeting the needs of, and addressing the barriers confronted by, individuals with handicaps. In fiscal year 1987, at least two such Rehabilitation Engineering Centers shall be established. One grant to provide demonstrations pursuant to clause (D) of this paragraph shall be made to an agency or organization in the State of South Carolina and one such grant shall be made to an agency or organization in the State of Connecticut.". Grants. South Carolina. Connecticut.

(3) Section 204(b)(3) of the Act is amended by inserting at the end thereof: "In the award of grants under this paragraph the Director shall take into account the location of any proposed Center and the appropriate geographic and regional allocation of such Centers.". 29 USC 762.

(4) Section 204(b)(7) of the Act is amended by inserting "the National Institute of Mental Health," after "Institutes of Health,".

(5) Section 204(b)(8) of the Act is amended by inserting before the period ", except that research concerning handicapped Indian Americans shall include those 55 and older". Indians.

(6) Section 204(b)(11) of the Act is amended by striking out all that follows "(B)" and inserting in lieu thereof "such physical therapy, language development, pediatric, nursing, psychological, and psychiatric services as are necessary for such children; and (C) appropriate services for the parents of such children, including psychological and psychiatric services, parent counseling, and training.".

(c) ADDITIONAL RESEARCH ACTIVITIES.—Section 204(b) of the Act is amended by adding at the end thereof the following new paragraphs:

"(14) Conduct of studies of the rehabilitation needs of American Indian populations and of effective mechanisms for the delivery of rehabilitation services to Indians residing on and off reservations.". Indians.

"(15) Conduct of a demonstration program under which one or more projects national in scope shall be established to develop procedures to provide incentives for the development, manufacturing, and marketing of orphan technological devices designed to enable individuals with handicaps to achieve independence and access to gainful employment.".

(d) SPECIAL RULE.—Section 204 of the Act is amended by adding at the end thereof the following new subsection:

"(d)(1) In carrying out evaluations of research demonstration and related projects under this section, the Director is authorized to make arrangements for site visits to obtain information on the accomplishments of the projects.

"(2) The Director shall not make a grant under this section which exceeds $299,999 unless the peer review of the grant application has included a site visit.".

TITLE IV—SUPPLEMENTARY SERVICES AND FACILITIES

SEC. 401. GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES. 29 USC 771.

Section 301(a) of the Act is amended—

(1) in the first sentence by striking out "fiscal year ending before October 1, 1986." and inserting in lieu thereof "of the fiscal years 1987, 1988, 1989, 1990, and 1991."; and

(2) in the second sentence by striking out "October 1, 1987." and inserting in lieu thereof "October 1, 1992.".

SEC. 402. VOCATIONAL TRAINING SERVICES FOR INDIVIDUALS WITH HANDICAPS.

29 USC 772.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 302(a) of the Act is amended by striking out "fiscal year ending before October 1, 1986." and inserting in lieu thereof "of the fiscal years 1987, 1988, 1989, 1990, and 1991.".

(b) INCLUSION OF SUPPORTED EMPLOYMENT.—Section 302(b)(3)(A) of the Act is amended by inserting before the semicolon ", including supported employment".

SEC. 403. TRAINING.

29 USC 774.

(a) TRAINING OF QUALIFIED PERSONNEL.—Section 304(a) of the Act is amended—

(1) in the first sentence—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1)—"(2) personnel specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps,"; and

Grants.
Contracts.

(2) by inserting after the first sentence—"Recipients of grants or contracts under this section shall give due regard to the training of individuals with handicaps as part of the effort to increase the number of qualified personnel available to provide rehabilitation services.".

(b) TARGETING.—The first sentence of section 304(b) of the Act is amended—

(1) by inserting before "rehabilitation medicine" the following: "rehabilitation engineering,";

(2) by inserting "rehabilitation dentistry," after "rehabilitation psychology,";

(3) by inserting "physical education, therapeutic recreation," after "speech pathology and audiology,"; and

(4) by inserting "specialized personnel in providing employment training for supported employment, other specialized personnel for those individuals who meet the definition of severely handicapped," after "job placement services for handicapped individuals,".

(c) LENGTH OF GRANT.—Section 304(b) of the Act is amended—

(1) by designating the first sentence as paragraph (1); and

(2) by striking out the last sentence and inserting in lieu thereof the following:

"(2)(A) Except as provided in subparagraph (B), no grant under this section may be used to provide any one course of study to an individual for a period of more than 4 years.

"(B) If the grant recipient determines that an individual has a handicap which seriously affects the completion of training under this section, the grant recipient may modify the limitation under subparagraph (A).".

(d) SCHOLARSHIP REQUIREMENTS.—Section 304(b) of the Act is amended by inserting at the end thereof the following new paragraph: 29 USC 774.

"(3)(A) A recipient of a grant of contract under this section shall provide assurances that each individual who receives a scholarship from funds provided under such grant or contract shall enter into an agreement with the recipient under which the individual shall— Grants. Contracts.

"(i) within the ten-year period after completing the training for which the scholarship was awarded, maintain employment in a nonprofit rehabilitation or related agency, or in a State rehabilitation agency, on a full-time basis for a period of not less than two years for each year for which assistance was received; and State and local governments.

"(ii) repay all or part of any scholarship received, plus interest, if the individual does not fulfill the requirements of clause (i),

except as the Commissioner by regulation may provide for repayment exceptions and deferrals.

"(B) The Commissioner shall be responsible for the enforcement of each agreement entered into under subparagraph (A) upon completion of training under such subparagraph.".

(e) TECHNICAL ASSISTANCE.—Section 304 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Commissioner is authorized to provide technical assistance to State rehabilitation agencies and rehabilitation facilities, directly or through contracts with State vocational rehabilitation agencies or nonprofit organizations. State and local governments.

"(2) An expert or consultant appointed or serving under contract pursuant to this section shall be compensated at a rate subject to approval of the Commissioner which shall not exceed the daily rate payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code. Such an expert or consultant may be allowed travel and transportation expenses in accordance with section 5703 of title 5, United States Code.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 304(e) of the Act is amended by striking out "$22,000,000 for the fiscal year 1984, $27,000,000 for the fiscal year 1985, and $31,000,000 for the fiscal year 1986" and inserting in lieu thereof "$31,000,000 for the fiscal year 1987, $33,000,000 for the fiscal year 1988, $35,000,000 for the fiscal year 1989, $37,000,000 for the fiscal year 1990, and $38,517,000 for fiscal year 1991.".

SEC. 404. COMPREHENSIVE REHABILITATION CENTERS.

Section 305(g) of the Act is amended to read as follows: 29 USC 775.

"(g) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.".

SEC. 405. SPECIAL PROJECTS AND SUPPLEMENTARY SERVICES; REAUTHORIZATION. 29 USC 777.

Section 310(a) of the Act is amended—

(1) by striking out "section 316" and inserting in lieu thereof "sections 311(d), 311(e), and 316"; and

(2) by striking out "$12,900,000 for the fiscal year 1984, $13,600,000 for the fiscal year 1985, and $14,300,000 for the

Post, pp. 1826, 1827.

fiscal year 1986" and inserting in lieu thereof the following: "$15,860,000 for fiscal year 1987, $16,790,000 for fiscal year 1988, $17,800,000 for fiscal year 1989, $18,900,000 for fiscal year 1990, and $19,675,000 for fiscal year 1991".

29 USC 777a.

SEC. 406. SPECIAL DEMONSTRATION PROGRAMS.

(a) NEEDS OF ISOLATED POPULATIONS OF INDIVIDUALS WITH HANDICAPS.—Section 311(a) of the Act is amended—

(1) in paragraph (2) by striking out "and" after the semicolon;

(2) in paragraph (3) by striking out the period and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (3) the following new paragraph:

Indians.

"(4) operating programs to meet the special needs of isolated populations of individuals with handicaps, particularly among American Indians residing on or outside of reservations.".

(b) SPECIAL DEMONSTRATION PROGRAMS FOR SUPPORTED EMPLOYMENT AND TRANSITIONAL EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED YOUTH.—Section 311 of the Act is amended by inserting at the end thereof the following new subsections:

Grants.
State and local governments.

"(d)(1)(A) The Commissioner may make grants to public and nonprofit rehabilitation facilities, designated State units, and other public and private agencies and organizations for the cost of developing special projects and demonstrations providing supported employment.

"(B) Not less than one such grant shall be nationwide in scope. The grant shall (i) identify community-based models that can be replicated, (ii) identify impediments to the development of supported employment programs (including funding and cost considerations), and (iii) develop a mechanism to explore the use of existing community-based rehabilitation facilities as well as other community-based programs.

"(2)(A) The Commissioner may make grants to public agencies and nonprofit private organizations for the cost of providing technical assistance to States in implementing part C of title VI of this Act.

Post, p. 1834.

"(B) Not less than one such grant shall be nationwide in scope. Each eligible applicant must have experience in training and provision of supported employment services.

Reports.

"(3)(A) On June 1, 1988, and on each subsequent June 1, the Commissioner shall submit a report to the Congress on activities assisted under paragraph (1) for the preceding fiscal year which includes—

"(i) a list of the grants awarded under this subsection;

"(ii) the number of individuals with severe handicaps served by each grant recipient, the average cost to provide support services to each such individual, and the average wage paid to each such individual; and

"(iii) the recommendations of the projects under paragraph (1)(B).

"(B) Each such report shall also include activities assisted under paragraph (2) for the preceding fiscal year, including (i) a list of the grants awarded under paragraph (2), (ii) the nature of technical assistance activities undertaken, and (iii) recommended areas where additional technical assistance is necessary.

"(4) There are authorized to be appropriated to carry out the provisions of this subsection $9,000,000 for the fiscal year 1987, $9,520,000 for the fiscal year 1988, $10,000,000 for the fiscal year

1989, $10,690,000 for the fiscal year 1990, and $11,128,000 for the fiscal year 1991.

"(e)(1) The Commissioner, subject to the provisions of section 306, shall make grants in accordance with the provisions of this subsection for the purpose of developing, expanding, and disseminating model statewide transitional planning services for severely handicapped youth. In order to facilitate similar model transitional programs, each grantee under this subsection shall— 29 USC 776. Grants. State and local governments. Handicapped persons.

"(A) collect data documenting the effectiveness of the project, including data on the outcome of the individuals served; and

"(B) disseminate the information to other States.

"(2) No grant may be made under this subsection unless an application is submitted to the Commissioner at such time, in such form, and in accordance with such procedures as the Commissioner may require.

"(3)(A) One grant under this subsection shall be made to a public agency in a predominantly urban State in New England for an existing model statewide transitional planning services program. Urban areas.

"(B) The application for the grant specified in subparagraph (A) shall—

"(i) provide assurances that a single office or agency of the State has responsibility for managing the referral process assigned under the model program for which assistance is sought;

"(ii) provide assurances that the schools involved, in consultation with families, initiate a referral at least two years prior to the anticipated date on which each such student will finish courses of study at the school;

"(iii) provide assurances that individualized transition plans will be developed by the schools and adult providers working cooperatively;

"(iv) provide assurances that case management responsibilities, together with appropriate tracking of each case designed to report on the progress of the handicapped individual, will be part of the responsibility of the office or agency designed under clause (i); and

"(v) contain such other assurances as the Commissioner may reasonably require.

"(4)(A)(i) A second grant authorized by this subsection shall be made to a public agency in a predominantly rural western State. Rural areas.

"(ii) A third grant authorized by this subsection shall be made to a public agency or nonprofit private organization in a predominantly rural southwestern State.

"(B) Each application for a grant submitted pursuant to subparagraph (A) of this paragraph shall describe model transitional planning services for both severely and mildly handicapped youth designed to develop procedures, strategies, and techniques which may be replicated successfully in other rural States.

"(5) There are authorized to be appropriated $450,000 for fiscal year 1987, $475,830 for fiscal year 1988, $504,427 for fiscal year 1989, $535,550 for fiscal year 1990, and $557,000 for fiscal year 1991 to carry out the provisions of this subsection.".

SEC. 407. SPECIAL RECREATIONAL PROGRAMS. Grants. 29 USC 777f.

Section 316 of the Act is amended to read as follows:

"SEC. 316. (a)(1) The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations for paying part or all of the cost of State and local governments. 29 USC 776.

initiation of recreation programs to provide handicapped individuals with recreational activities and related experiences to aid in the mobility, socialization, independence, and community integration of such individuals. The programs authorized to be assisted under this section may include, but are not limited to, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4-H activities, music, dancing, handicrafts, art, and homemaking. Whenever possible and appropriate, such programs and activities should be provided in settings with nonhandicapped peers. Programs and activities under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with handicaps.

"(2) Each such grant shall be made for a minimum of a three-year period.

"(3) No grant may be made under this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made, and that with respect to children the activities for which the grant is to be made will be conducted before or after school.

"(b) There are authorized to be appropriated $2,330,000 for fiscal year 1987, $2,470,000 for fiscal year 1988, $2,620,000 for fiscal year 1989, $2,780,000 for fiscal year 1990, and $2,894,000 for fiscal year 1991 to carry out this section.".

TITLE V—NATIONAL COUNCIL ON THE HANDICAPPED

SEC. 501. PURPOSE OF THE COUNCIL.

29 USC 780.

Section 400(a) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The purpose of the National Council is to promote the full integration, independence, and productivity of handicapped individuals in the community, schools, the workplace and all other aspects of American life.".

SEC. 502. DUTIES OF NATIONAL COUNCIL.

29 USC 781.

(a) DUTIES.—

(1) Section 401(a)(4) of the Act is amended to read as follows:

"(4) review and evaluate on a continuing basis—

"(A) all policies, programs, and activities concerning handicapped individuals and persons with disabilities conducted or assisted by Federal departments and agencies, including programs established or assisted under this Act or under the Developmental Disabilities Assistance and Bill of Rights Act; and

"(B) all statutes pertaining to Federal programs which assisted such handicapped individuals and persons with disabilities;

in order to assess the effectiveness of such policies, programs, activities, and statutes in meeting the needs of handicapped individuals and persons with disabilities;".

(2) Section 401(a) of the Act is amended—

(A) by redesignating clauses (5), (6), and (7), as clauses (6), (7), and (8), respectively, and

(B) by inserting after clause (4) the following:

"(5) assess the extent to which such policies, programs, and activities provide incentives or disincentives to the establishment of community-based services for handicapped individuals, promote the full integration of such individuals in the community, in schools, and in the workplace, and contribute to the independence and dignity of such individuals;".

(3) Section 401(a)(8) of the Act (as redesignated by paragraph (2)) is amended by inserting "legislative proposals" after "recommendations". 29 USC 781.

(b) ADDITIONAL DUTIES.—Section 401(b) of the Act is amended to read as follows:

"(b)(1) Not later than January 30, 1988, and annually thereafter, the National Council shall issue a report to the President and the Congress on the progress that has been made in implementing the recommendation contained in the Council's January 30, 1986, report Toward Independence. Reports.

"(2) The reports issued pursuant to paragraph (1) shall present, as appropriate, available data on health, housing, employment, insurance, transportation, recreation, and education, and shall include appropriate information on the current status and trends in the status of individuals with disabilities.".

SEC. 503. STAFF. 29 USC 783.

Section 403(b) of the Act is amended by striking out paragraph (4).

SEC. 504. REAUTHORIZATION. 29 USC 785.

Section 405 of the Act is amended by inserting before the period at the end thereof the following: "for each of the fiscal years 1987, 1988, 1989, 1990, and 1991".

TITLE VI—ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 601. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD. 29 USC 792.

(a) MEMBERSHIP AND QUORUM REQUIREMENTS.—Section 502(a) of the Act is amended—

(1) in paragraph (1)(B) by striking out "The President" and all that follows through the end of such paragraph and inserting in lieu thereof "The Chairperson and vice-chairperson of the Board shall be elected by majority vote of the members of the Board to serve for terms of one year. When the chairperson is a member of the general public, the vice-chairperson shall be a Federal official; and when the chairperson is a Federal official, the vice-chairperson shall be a member of the general public. Upon the expiration of the term as chairperson of a member who is a Federal official, the subsequent chairperson shall be a member of the general public; and vice versa.";

(2) in paragraph (1)(A)—

(A) by striking out "Eleven" and inserting in lieu thereof "Twelve"; and

(B) by striking out "five" and inserting in lieu thereof "six";

(3) in paragraph (2) by striking out "and (ii)" and all that follows through the end of such paragraph and inserting in lieu thereof "(ii) a member whose term has expired may continue to serve until a successor has been appointed, and (iii) a member appointed to fill a vacancy shall serve for the remainder of the term to which that member's predecessor was appointed."; and

(4) by inserting after paragraph (5) the following paragraph:

"(6)(A) The Board shall establish such bylaws and other rules as may be appropriate to enable the Board to carry out its functions under this Act.

"(B) The bylaws shall include quorum requirements. The quorum requirements shall provide that (i) a proxy may not be counted for purposes of establishing a quorum, and (ii) not less than half the members required for a quorum shall be members of the general public appointed under paragraph (1)(A).".

29 USC 792.

(b) SPECIAL REPORTS.—Section 502(g) of the Act is amended by adding at the end thereof the following: "The Board shall prepare and submit two additional reports of its activities under subsection (c) of this section, one report on its activities in the field of transportation barriers of handicapped individuals and the other report on its activities in the field of the housing needs of handicapped individuals. The two additional reports required by the previous sentence shall be submitted not later than February 1, 1988.".

(c) AUTHORIZATIONS.—Section 502(i) of the Act is amended by striking out "fiscal year ending before October 1, 1986," and inserting in lieu thereof "of the fiscal years 1987, 1988, 1989, 1990, and 1991,".

29 USC 794c.

SEC. 602. INTERAGENCY COORDINATING COUNCIL.

The first sentence of section 507 of the Act is amended by inserting "the Assistant Secretary of the Interior for Indian Affairs," after "Labor,".

SEC. 603. ELECTRONIC EQUIPMENT ACCESSIBILITY.

(a) ELECTRONIC EQUIPMENT ACCESSIBILITY.—Title V of the Act is amended by inserting after section 507 the following new section:

"ELECTRONIC EQUIPMENT ACCESSIBILITY

29 USC 794d.

"SEC. 508. (a)(1) The Secretary, through the National Institute on Disability and Rehabilitation Research and the Administrator of the General Services, in consultation with the electronics industry, shall develop and establish guidelines for electronic equipment accessibility designed to insure that handicapped individuals may use electronic office equipment with or without special peripherals.

"(2) The guidelines established pursuant to paragraph (1) shall be applicable with respect to electronic equipment, whether purchased or leased.

"(3) The initial guidelines shall be established not later than October 1, 1987, and shall be periodically revised as technologies advance or change.

"(b) Beginning after September 30, 1988, the Administrator of General Services shall adopt guidelines for electronic equipment accessibility established under subsection (a) for Federal procure-

ment of electronic equipment. Each agency shall comply with the guidelines adopted under this subsection.

"(c) For the purpose of this section, the term 'special peripherals' means a special needs aid that provides access to electronic equipment that is otherwise inaccessible to a handicapped individual.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after item "Sec. 507." the following new item:

"Sec. 508. Electronic equipment accessibility.".

TITLE VII—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH HANDICAPS

SEC. 701. EQUITABLE DISTRIBUTION OF ASSISTANCE.

Indians.
29 USC 795d.

(a) EQUITABLE DISTRIBUTION.—Section 615(a)(1) of the Act is amended in the second sentence by inserting before the period "and the needs of Indian tribes".

(b) APPORTIONMENT.—Section 615(c)(2) of the Act is amended by inserting before the period "(including individuals residing on Indian reservations)".

SEC. 702. REAUTHORIZATION OF PART A OF TITLE VI.

29 USC 795f.

Section 617 of the Act is amended by striking out "1984, 1985, and 1986." and inserting in lieu thereof "1987, 1988, 1989, 1990, and 1991."

SEC. 703. PROJECTS WITH INDUSTRY.

29 USC 795g.

(a) GENERAL PROVISIONS.—

(1) Section 621(a) of the Act is amended—

(A) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively; and

(B) by inserting after the subsection designation the following: "(1) The purpose of this title is to promote opportunities for competitive employment of individuals with handicaps, to provide appropriate placement resources, to engage the talent and leadership of private industry as partners in the rehabilitation process, to create practical settings for job readiness and training programs, and to secure the participation of private industry in identifying and providing job opportunities and the necessary skills and training to qualify people with handicaps for competitive employment.".

(2) Clauses (A), (B), and (C) of section 621(a)(2) of the Act (as redesignated by this subsection) are amended to read as follows:

"(A) shall create and expand job opportunities for individuals with handicaps by providing for the establishment of appropriate job placement services;

"(B) shall provide individuals with handicaps with training in a realistic work setting in order to prepare them for employment in the competitive market;

"(C) shall provide individuals with handicaps with such supportive services as may be required to permit them to continue to engage in the employment for which they have received training under this section;

"(D) shall, to the extent appropriate, expand job opportunities for individuals with handicaps by providing for (i) the development and modification of jobs to accommodate the special needs of such individuals, (ii) the distribution of special aids, appliances, or adapted equipment to such individuals, and (iii) the modification of any facilities or equipment of the employer which are to be used primarily by handicapped individuals; and

"(E) shall provide for business advisory councils comprised of representatives of private industry, business concerns, and organized labor who will identify job availability within the community and the skills necessary to fill jobs identified, and prescribe training and programs tailored to their need.".

29 USC 795g.

(3) Paragraph (4) of section 621(a) of the Act (as redesignated by this section) is amended by striking out "each year of a funding cycle" and inserting in lieu thereof "each project year".

29 USC 795g note.

(4) The amendment made by paragraph (2), adding clause (E) to section 621(a)(2) of the Act, shall take effect one year after the date of enactment of this Act.

(b) AGREEMENT.—Section 621(b) of the Act is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) By striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (3) the following paragraph:

Reports.

"(4) provides assurance that an evaluation report containing data specified under subsection (a)(4) shall be submitted as determined by the Commissioner."; and

(c) Section 621(e) of the Act is amended to read as follows:

"(e)(1) Subject to the availability of appropriations, an agreement for financial assistance under this section may be effective for a period not to exceed five years. Any subsequent agreement for financial assistance under this section may be effective for not more than five years. In making a determination concerning any subsequent agreement, the Commissioner shall consider performance under the previous agreement and evaluation reports submitted under subsection (b)(4).

"(2) The Commissioner shall annually review each evaluation report submitted under subsection (b)(4) and make a determination concerning the termination, modification, or renewal of each agreement for financial assistance under this section.".

(b) Section 621(b) of the Act is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after clause (3) the following new clause:

"(4) provides assurances that an evaluation report containing data specified under subsection (a)(4) shall be submitted to the Commissioner.".

(c) Section 621(d)(1) of the Act is amended by adding at the end thereof the following new sentence: "Such standards shall be revised as necessary, subject to paragraph (4) of this subsection.".

(d) TECHNICAL ASSISTANCE; INDICATORS FOR STANDARDS; CONTINUED FUNDING; APPLICATION APPROVAL.—(1) Subsection (f) of section 621 of the Act are amended to read as follows:

Federal Register, publication.

"(f)(1) By July 1, 1988, the Commissioner shall publish in the Federal Register in final form indicators of what constitutes mini-

mum compliance consistent with the evaluation standards under subsection (d)(1).

"(2) Each grantee shall report to the Commissioner at the end of each project year the extent to which the grantee is in compliance with the evaluation standards, beginning with fiscal year 1989.

"(3) By the end of fiscal year 1991, the Commissioner shall have conducted on-site compliance reviews of at least one-third of the grantees receiving funding under this part in fiscal year 1987. The Commissioner shall conduct on-site compliance reviews of at least 15 percent of grantees annually in subsequent years. Selection of grantees for compliance reviews shall be on a random basis. The Commissioner shall use the indicators of the evaluation standards in determining compliance. At least one member of an on-site compliance review shall be a non-Federal employee with experience or expertise in conducting Projects With Industry.

"(4) Beginning with the annual report to Congress for fiscal year 1990 and in subsequent years, the Commissioner shall include an analysis of the extent to which grantees have complied with the evaluation standards. The Commissioner may identify individual grantees in the analysis. In addition, the Commissioner shall report the results of on-site compliance reviews, identifying individual grantees. Reports.

"(g) The Commissioner may provide, directly or by way of grant or contract, technical assistance to (1) entities conducting Projects With Industry for the purpose of assisting such entities in the improvement of or in the development of relationships with private industry or labor, and (2) entities planning the development of new Projects With Industry.". Grants. Contracts.

(2) Section 621 is further amended by adding at the end thereof the following new subsections: 29 USC 795g.

"(h)(1)(A) From sums appropriated for the purposes of this section for fiscal year 1990, an amount which is 80 percent of the amount appropriated for fiscal year 1989 shall be available only for grantees receiving assistance in fiscal year 1989.

"(B) The Secretary shall ensure that grants are made under subparagraph (A) only to Projects With Industry recipients that meet the evaluation standards and shall make a determination concerning the termination, modification, or renewal of each grant on the basis of such evaluation. Grants.

"(2) To the extent funds are available under paragraph (1), the Secretary shall award grants to new Projects With Industry recipients located in unserved geographic areas. Grants to new recipients shall be awarded on a competitive basis.

"(3) For fiscal year 1991 and for any subsequent fiscal year, new grant awards shall be made on a competitive basis and shall include consideration of past performance, where appropriate.

"(4)(A) Each grant recipient receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grant recipient is not in compliance with the provisions of the approved application of the grant recipient.

"(B) Grant recipients continuing to receive assistance on the basis of the review described in subparagraph (A) of this paragraph shall be evaluated by the Commissioner using standards described in subsection (d) and (f) of this section. Each such grant recipient shall continue to receive assistance for 3 years unless the Commissioner determines that the grantee is not substantially in compliance with

such standards and with the provisions of the approved application of the grant recipient.

"(i) In approving applications under this section, the Commissioner shall give priority to the geographic areas among the States which are currently not served or underserved by Projects With Industry.".

SEC. 704. PROJECTS WITH INDUSTRY REAUTHORIZATION.

Section 623 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

29 USC 795i.

"SEC. 623. There are authorized to be appropriated to carry out the provisions of section 621, $16,070,000 for fiscal year 1987, $17,010,000 for fiscal year 1988, $18,030,000 for fiscal year 1989, $19,149,000 for fiscal year 1990, and $19,925,000 for fiscal year 1991 and for section 622 such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, 1990 and 1991.".

SEC. 704. SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH SEVERE HANDICAPS.

(a) GENERAL AUTHORIZATION.—

(1) Title VI of the Act is amended by inserting after part B of such title the following new part:

Grants.
State and local governments.
29 USC 795j.

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH SEVERE HANDICAPS

"PURPOSE

"SEC. 631. It is the purpose of this part to authorize grants (supplementary to grants for vocational rehabilitation services under title I) to assist States in developing collaborative programs with appropriate public agencies and private nonprofit organizations for training and traditionally time-limited post-employment services leading to supported employment for individuals with severe handicaps.

"ELIGIBILITY

29 USC 795k.

"SEC. 632. Services may be provided under this part to any individual with severe handicaps whose ability or potential to engage in a training program and whose ability to engage in a supported employment setting has been determined by an evaluation of rehabilitation potential as defined in section 7 of this Act.

Ante, p. 1809.

State and local governments.
29 USC 795l.

"ALLOTMENTS

"SEC. 633. (a)(1) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than $250,000 or one-third of 1 percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater.

"(2)(A) For the purposes of this subsection, the term 'States' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(B) The jurisdictions described in subparagraph (A) shall be allotted not less than one-eighth of 1 percent of the amounts made available for purposes of this subpart for each such clause for the fiscal year for which the allotment is made.

"(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State to carry out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States which the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the State's allotment for such year.

"(c)(1) In the first fiscal year in which appropriations are made pursuant to section 638 a State may, in lieu of receiving its allotment under this part, make an application for a planning grant for that fiscal year. The Secretary is authorized to approve the appropriation of States which meet the requirements of this subsection. Grants.

"(2)(A) The grant made under this subsection shall be used for planning activities designed to facilitate the State using its allotment under this part.

"(B) No grant under this subsection may exceed a period of 18 months.

"(3) No planning grant made under this subsection may exceed $250,000.

"STATE PLAN

"SEC. 634. (a) In order to be eligible for grants under this part, a State shall submit to the Commissioner as part of the State plan under title I of this Act a State plan supplement for a three-year period for providing training and traditionally time-limited post-employment services leading to supported employment for individuals with severe handicaps. Each State shall make such annual revisions in the plan supplement as may be necessary. Grants. 29 USC 795m. *Ante*, p. 1808.

"(b) Each such plan supplement shall—

"(1) designate each agency of such State designated under section 101(a)(2)(B) of this Act as the agency to administer the program assisted under this part; *Ante*, p. 1814.

"(2)(A) specify results of the needs assessment conducted as required by title I of this Act of individuals with severe handicaps as such assessment identifies the need for supported employment services, including the coordination and use of the information within the State relating to section 618(b)(3) of the Education of the Handicapped Act; and

"(B) describe the quality, scope, and extent of supported employment services to be provided to individuals with severe handicaps under this part, and specify the State's goals and plans with respect to the distribution of funds received under section 635 of this part;

"(3) provide assurances that—

"(A) an evaluation for each individual describes training and traditionally time-limited post-employment services leading to supported employment;

"(B) an individualized written rehabilitation program as required by section 102 will be developed outlining the services to be provided; *Ante*, p. 1808.

"(C) such services will be provided in accordance with such program or a program specified under subsection (b)(3)(D) of this part;

"(D) such services will be coordinated with the evaluation results, the individual written rehabilitation plan or education plan as required under section 102 of this Act, section 123 of the Developmental Disabilities Act of 1984, and sections 612(4) and 614(5) of the Education of the Handicapped Act, respectively;

Ante, p. 1815.
42 USC 6023.
20 USC 1412, 1414.

"(E) the State will conduct periodic reviews of the progress of individuals assisted under this part to determine whether services provided to such individuals should be continued, modified, or discontinued; and

"(F) the State will make maximum use of services from public agencies, private nonprofit organizations, and other appropriate resources in the community to carry out this part;

"(4) demonstrate evidence of collaboration by and funding from relevant State agencies and private nonprofit organizations to assist in the provision of supported employment services;

"(5) provide assurances that all designated State agencies will expend not more than 5 percent of the State's allotment under this part for administrative costs for carrying out this part; and

"(6) contain such other information and be submitted in such form and in accordance with such procedures as the Commissioner may require.

"SERVICES; AVAILABILITY AND COMPARABILITY

29 USC 795n.

"SEC. 635. (a)(1) Services available under this part may include but are not limited to an evaluation of rehabilitation potential, provision of skilled job trainers who accompany the worker for intensive on-the-job training, systematic training, job development, follow-up services (including regular contact with the employer, trainee, and the parent or guardian), and consistent with subsection (b) regular observation or supervision of the individual with severe handicaps at the training site and other services needed to support the individual in employment.

"(2) The evaluation of rehabilitation potential authorized by paragraph (1) of this subsection shall be supplementary to the evaluation of rehabilitation potential provided under title I of this Act.

Ante, p. 1808.

"(b) Services authorized under this part are limited to training and traditionally time-limited post-employment services leading to supported employment. Extended supported employment services shall be provided by the relevant State agencies and private organizations as specified under section 634(b)(4) of this part or any other available source.

"(c) Services provided under this part shall be complementary to services provided under title I of this Act.

"RESTRICTION

29 USC 795o.
Ante, p. 1812.

"SEC. 636. Each designated State agency shall collect the client information required by section 13 of this Act separately for supported employment clients under this part and for supported employment clients under title I.

"SAVINGS PROVISION

"SEC. 637. Nothing in this Act shall be construed to prohibit a State from conducting or from carrying out training and traditionally time-limited post-employment services leading to supported employment in accordance with the State plan submitted under section 101 from its State allotment under section 110. 29 USC 795p.

Ante, pp. 1814, 1817.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 638. There are authorized to be appropriated to carry out this part $25,000,000 for the fiscal year 1987, $26,470,000 for the fiscal year 1988, $28,060,000 for the fiscal year 1989, $29,730,000 for the fiscal year 1990, $30,949,000 for the fiscal year 1991.". 29 USC 795q.

(2) The table of contents of the Act is amended by inserting after item "Sec. 623." the following:

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED INDIVIDUALS WITH SEVERE HANDICAPS

"Sec. 631. Purpose.
"Sec. 632. Eligibility.
"Sec. 633. Allotments.
"Sec. 634. State plan.
"Sec. 635. Services; availability and comparability.
"Sec. 636. Restriction.
"Sec. 637. Savings provision.
"Sec. 638. Authorization of appropriations.".

(b) LIMITATION.— 29 USC 795m note.

(1) The amendment adding section 634(a) (made by subsection (a) of this section) shall not apply in any fiscal year in which the appropriation for part C of title VI of the Rehabilitation Act of 1973 do not equal or exceed $5,000,000. *Ante*, p. 1834.

(2) The provisions of paragraph (1) are repealed on September 30, 1990.

TITLE VIII—SERVICES FOR INDEPENDENT LIVING

SEC. 801. ELIGIBILITY FOR COMPREHENSIVE SERVICES. 29 USC 796a.

Section 702(b) of the Act is amended by striking out "recreational activities" and inserting in lieu thereof "recreational services".

SEC. 802. STATE PLAN ASSURANCE. 29 USC 796d.

Section 705(a) of the Act is amended—

(1) by redesignating clauses (5), (6), (7), (8), and (9) as clauses (6), (7), (8), (9), and (10), respectively; and

(2) by inserting after clause (4) the following:

"(5) provide assurances that the State will consider recommendations of the State independent living council in determining how independent living services will be expanded or modified;".

SEC. 803. STATE INDEPENDENT LIVING COUNCIL.

(a) GENERAL AUTHORITY.—Part A of title VII of the Act is amended by adding at the end thereof the following new section:

"STATE INDEPENDENT LIVING COUNCIL

29 USC 796d-1.

"SEC. 706. (a) There shall be established in each State receiving assistance under this title a State Independent Living Council (hereafter in this section referred to as the 'Council'). The Council shall—

"(1) provide guidance for the development and expansion of independent living programs and concepts on a statewide basis;

"(2) provide guidance to State agencies and to local planning and administrative entities assisted under this title; and

"(3) prepare and submit to the State agency designated under section 705(a)(1) a five-year plan addressing the long-term goals and recommendations for the need for independent living services and programs within the State.

Handicapped persons.

"(b)(1) The Council shall be composed of representatives of the principal State agencies, local agencies, and nongovernmental agencies and groups concerned with services to handicapped individuals under this title; handicapped individuals and parents or guardians of handicapped individuals; directors of independent living centers; representatives from private business employing or interested in employing handicapped individuals; representatives of other appropriate organizations and other appropriate individuals.

"(2) A majority of the membership of the Council shall be handicapped individuals and parents or guardians of handicapped individuals.

"(3) The members of the Council shall be appointed by the director of the State agency designated under section 705(a)(1).

"(c) The chairperson of the Council shall be selected from among the membership and shall also serve as a member of any State advisory committee primarily concerned with the provision of rehabilitation services and any other appropriate State advisory committee concerned with services to handicapped individuals.

"(d) Any State in which there is a council which substantially meets the requirements of paragraphs (1) and (2) of subsection (b) and has the authority or will, promptly after the date of enactment of the Rehabilitation Act Amendments of 1986, have the authority to carry out the functions prescribed in subsection (a) shall be deemed to meet the requirements of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of the Act is amended by inserting after item "Sec. 705." the following new item:

"Sec. 706. State independent living council.".

SEC. 804. GRANTS FOR CENTERS FOR INDEPENDENT LIVING.

(a) APPLICATION CONDITIONS.—

29 USC 796e.

(1) Section 711(b) of the Act is amended—

(A) by striking out "and" at the end of clause (1);

(B) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "and"; and

(C) by adding at the end thereof the following new clause:

Handicapped persons.

"(3) contains assurances that each center will have a board which is composed of a majority of handicapped individuals.".

(2) The amendments made by paragraph (1) shall take effect one year after the date of enactment of this Act.

29 USC 796e note.

(b) APPLICATION CONTENTS.—Section 711(c)(2) of the Act is amended—

(1) by inserting after "housing" in clause (E) a comma and the following: "recreation";

(2) by inserting after "housing" in clause (F) a comma and the following: "recreational opportunities"; and

(3) by striking out "activities" in clause (K) and inserting in lieu thereof "services".

(c) TIMELINESS OF APPLICATION.—Section 711(d) of the Act is amended by striking out "six months" and inserting in lieu thereof "three months".

SEC. 805. EVALUATION AND REVIEW OF INDEPENDENT LIVING CENTERS. 29 USC 796e.

(a) REVISION OF STANDARDS.—Section 711(e)(1) of the Act is amended by adding at the end thereof the following new sentence: "Such standards shall be revised as necessary, subject to paragraph (4) of this subsection.".

(b) INDICATORS FOR STANDARDS; CONTINUED FUNDING; APPROVAL OF APPLICATIONS.—Section 711 of the Act is amended by striking subsection (f) and by adding at the end thereof the following: Grants.

"(f)(1) By July 1, 1988, the Commissioner shall publish in the Federal Register in final form indicators of what constitutes minimum compliance consistent with the evaluation standards in subsection (e)(1). Federal Register, publication.

"(2) Each grantee shall report to the Commissioner at the end of each project year the extent to which the grantee is in compliance with the evaluation standards, beginning with fiscal year 1989.

"(3) By the end of fiscal year 1991, the Commissioner shall have conducted on-site compliance reviews of at least one-third of the grantees receiving funding under this part in fiscal year 1987. The Commissioner shall conduct on-site compliance review of at least 15 percent of grantees annually in subsequent years. Selection of grantees for compliance reviews shall be on a random basis. The Commissioner shall use the indicators of the evaluation standards in determining compliance. At least one member of an on-site compliance review shall be a non-Federal employee with experience or expertise in the provision of independent living services.

"(4) Beginning with the annual report to Congress for fiscal year 1990 and in subsequent years, the Commissioner shall include an analysis of the extent to which grantees have complied with the evaluation standards. The Commissioner may identify individual grantees in the analysis. In addition, the Commissioner shall report the results of on-site compliance reviews, identifying individual grantees. Reports.

"(g)(1)(A) From sums appropriated for the purposes of this section for fiscal year 1990, an amount which is 90 percent of the amount appropriated for fiscal year 1989 shall be available only for grantees receiving assistance in fiscal year 1989.

"(B) The Secretary shall ensure that grants are made under subparagraph (A) only to Centers that meet the evaluation standards and shall make a determination concerning the termination, modification, or renewal of each grant on the basis of such evaluation.

"(C) A grant under subparagraph (A) may not be less than 80 percent or more than 100 percent of the grant to the Center for fiscal year 1989. The Commissioner shall determine the amount of each grant on the basis of—

"(i) the capacity of the recipient to obtain local resources to pay the non-Federal share of the cost of the Center; and

"(ii) the economic conditions in the community to be served by the Center.

"(2) To the extent funds are available under paragraph (1), the Secretary shall award grants to new Centers located in unserved geographic areas. Grants to new Centers shall be awarded on a competitive basis.

"(3) For fiscal year 1991 and for any subsequent fiscal year, new grant awards shall be made on a competitive basis and shall include consideration of past performance, where appropriate.

"(4)(A) Each grant recipient receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grant recipient is not in compliance with the provisions of the approved application of the grant recipient.

"(B) Grant recipients continuing to receive assistance on the basis of the review described in subparagraph (A) of this paragraph shall be evaluated by the Commissioner using standards described in subsections (e) and (f) of this section. Each such grant recipient shall continue to receive assistance for 3 years unless the Commissioner determines that the grantee is not substantially in compliance with such standards and with the provisions of the approved application of the grant recipient.

State and local governments.

"(h) In approving applications under this section, the Commissioner shall give priority to geographic areas among the States which are currently not served or underserved by independent living centers.".

SEC. 806. REAUTHORIZATION FOR TITLE VII.

Section 741 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

29 USC 796i.
Ante, p. 1838.

"SEC. 741. (a) There are authorized to be appropriated to carry out part A of this title $11,830,000 for fiscal year 1987, $12,310,000 for fiscal year 1988, $13,050,000 for fiscal year 1989, $13,860,000 for fiscal year 1990, and $14,428,000 for fiscal year 1991.

29 USC 796e.

"(b) There are authorized to be appropriated to carry out part B of this title $24,320,000 for fiscal year 1987, $25,750,000 for fiscal year 1988, $27,300,000 for fiscal year 1989, $28,980,000 for fiscal year 1990, and $30,168,000 for fiscal year 1991.

29 USC 796f.

"(c) There are authorized to be appropriated to carry out part C of this title $5,290,000 for fiscal year 1987, $5,600,000 for fiscal year 1988, $5,930,000 for fiscal year 1989, $6,300,000 for fiscal year 1990, and $6,558,000 for fiscal year 1991.

29 USC 796g.

"(d)(1) There are authorized to be appropriated to carry out part D of this title such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.

"(2) The provisions of section 1913 of title 18, United States Code, shall be applicable to all moneys authorized under the provisions of this subsection.".

TITLE IX—AMENDMENTS TO OTHER LAWS

SEC. 901. REAUTHORIZATION OF HELEN KELLER NATIONAL CENTER ACT.

Section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904) is amended by striking out the first sentence and inserting in lieu thereof "There are authorized to be appropriated to carry out

the provisions of this title such sums as may be necessary for each of the fiscal years 1987 through 1990.".

SEC. 902. PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED.

The joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409) is amended—

(1) by striking out "annually, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $1,000,000" and inserting in lieu thereof "for each of the fiscal years 1987, 1988, 1989, 1990, and 1991, such sums as may be necessary"; and

(2) by inserting at the end thereof "The President's Committee on Employment of the Handicapped shall be guided by the general policies of the National Council on the Handicapped.".

TITLE X—TECHNICAL AND CONFORMING AMENDMENTS TO THE ACT

SEC. 1001. USE OF GENDER NEUTRAL TERMINOLOGY IN ACT.

(a) AMENDMENTS TO THE GENERAL PROVISIONS.—

(1) Section 3(a) of the Act is amended— *Ante*, p. 1808.

(A) in the third sentence by striking out "his functions," and inserting in lieu thereof "the functions of the office,"; and

(B) in the sixth sentence by striking out "his functions" and inserting in lieu thereof "the functions of the office".

(2) Section 6(b) of the Act is amended— 29 USC 705.

(A) by striking out "he" after "satisfied," and inserting in lieu thereof "the Secretary"; and

(B) by striking out "he" after "or".

(3) Section 7(4) of the Act is amended by striking out "he" and inserting in lieu thereof "the Secretary". 29 USC 706.

(4) Section 12 of the Act is amended— *Ante*, p. 1811.

(A) in subsection (b) by striking out "his" and inserting in lieu thereof "the"; and

(B) in subsection (c) by striking out "he considers" and inserting in lieu thereof "are considered".

(5) Section 14(e) of the Act is amended— 29 USC 713.

(A) by striking "Secretary" and inserting "Commissioner"; and

(B) by striking out "to him, upon request" and inserting in lieu thereof "upon request of the Commissioner".

(b) AMENDMENTS TO TITLE I.—Title I of the Act is amended as follows: 29 USC 721.

(1) Section 101(a)(10) of the Act is amended—

(A) by striking out "his functions" and inserting in lieu thereof "the functions of the Commissioner"; and

(B) by striking out "he may find" and inserting in lieu thereof "are".

(2) Section 101(b) of the Act is amended—

(A) in the first sentence by striking out "he" and inserting in lieu thereof "the Commissioner" and by striking out "he"; and

(B) in the second sentence by striking out "his" and inserting in lieu thereof "the" and by striking out "he".

(3) Section 101(c)(1) of the Act is amended—

(A) in the first sentence by striking out "his discretion" and inserting in lieu thereof "the discretion of the Commissioner" and by striking out "he" and inserting in lieu thereof "the Commissioner"; and

(B) in the second sentence by striking out "he" and inserting in lieu thereof "the Commissioner".

(4) Section 101(d)(1) of the Act is amended by striking out "him" and inserting in lieu thereof "the Commissioner" and by striking out "he" and inserting in lieu thereof "the Commissioner".

29 USC 722. (5) Section 102 of the Act is amended—

(A) by striking out "his parents" each place it appears in such section and inserting in lieu thereof "such individual's parents";

(B) by striking out "his parent" and inserting in lieu thereof "such individual's parent";

(C) in subsection (d)(1) by striking out "his" and inserting in lieu thereof "the"; and

(D) in subsection (d)(2) by striking out "his responsibilities" and inserting in lieu thereof "any responsibility of the Secretary".

29 USC 731. (6) Section 111(b) of the Act is amended—

(A) in paragraph (1) by striking out "him," and inserting in lieu thereof "the Commissioner,"; and

(B) in the first sentence of paragraph (2)—

(i) by striking out "him" and inserting in lieu thereof "the Commissioner"; and

(ii) by striking out "he finds that his" and inserting in lieu thereof "the Commissioner finds that the".

29 USC 732. (7) Section 112(e)(2) of the Act is amended by striking out "from time to time on such dates he may fix" and inserting in lieu thereof "at appropriate times".

29 USC 740. (8) Section 120(b) of the Act is amended by striking out "he" both places it appears and inserting in lieu thereof "the Commissioner".

29 USC 761a. (c) AMENDMENTS TO TITLE II.—Section 202 of the Act is amended—

(1) in the second sentence of subsection (a) by striking out "his functions," and inserting in lieu thereof "the functions of the office,";

(2) in subsection (e) by striking out "he" and inserting in lieu thereof "the Director";

(3) in subsection (g) by striking out "he considers"; and

(4) in subsection (i)—

(A) by striking out "whatever actions he considers appropriate" and inserting in lieu thereof "appropriate actions"; and

(B) by striking out "in his role of Chairman" and inserting "as Chairperson".

(d) AMENDMENTS TO TITLE III.—Title III of the Act is amended as follows:

29 USC 772. (1) Section 302(b)(3) of the Act is amended—

(A) by striking out "on his determination" and inserting in lieu thereof "if the Commissioner determines";

(B) in subparagraph (C) by striking out "his" and inserting in lieu thereof "that individual's"; and

(C) in subparagraph (D) by striking out "he" and inserting in lieu thereof "the Commissioner".

(2) Section 303 of the Act is amended— 29 USC 773.

(A) in subsection (e)(1) by striking out "he" and inserting in lieu thereof "the Commissioner";

(B) in subsection (e)(2)(B) by striking out "he considers" and inserting in lieu thereof "considered";

(C) in subsection (e)(2)(C) by striking out "his" both places it appears and inserting in lieu thereof "a";

(D) by amending subsection (f)(1)(A) to read as follows: "(A) to enable the Commissioner to discharge the responsibilities under loan guarantees issued under this section; and";

(E) in the third sentence of subsection (f)(1) by striking out "him from his" and inserting in lieu thereof "the Commissioner from";

(F) in subsection (f)(2)(A) by striking out "he", and inserting in lieu thereof "the Commissioner"; and

(G) in subsection (f)(2)(C) by striking out "he" and by striking out "him" and inserting in lieu thereof "the Secretary".

(e) AMENDMENTS TO TITLE IV.— 29 USC 780.

(1) Section 400(b)(3) of the Act is amended by striking out "his" and inserting in lieu thereof "such member's".

(2) Section 400(c) of the Act is amended by striking out "Chairman" both places it appears and inserting in lieu thereof "Chairperson".

(f) AMENDMENTS TO TITLE V.—Title V of the Act is amended as follows:

(1) Section 501(e) of the Act is amended by striking out "his" and inserting in lieu thereof "a". 29 USC 791.

(2) Section 503(b) of the Act is amended by striking out "his" and inserting in lieu thereof "a". 29 USC 793.

(3) Section 503(c) of the Act is amended by striking out "he" both places it appears and inserting in lieu thereof "The President", and by striking out "his" and inserting in lieu thereof "the".

(4) Section 507 of the Act is amended by striking out "Chairman" and inserting in lieu thereof "Chairperson". 29 USC 794c.

(g) AMENDMENTS TO TITLE VII.—Title VII of the Act is amended as follows:

(1) Section 702 of the Act is amended by striking out "his" each place it appears and by inserting in lieu thereof "the". 29 USC 796a.

(2) Section 703(c) of the Act is amended by striking out "he" both places it appears and inserting in lieu thereof "the Commissioner". 29 USC 796b.

(3) Section 705(b) of the Act is amended by striking out "he" and inserting in lieu thereof "the Commissioner". 29 USC 796d.

(4) Section 721(a) of the Act is amended— 29 USC 796f.

(A) by striking out "his" both places it appears; and

(B) in paragraph (3) by striking out "able to care for himself;" and inserting in lieu thereof "self-sufficient;".

SEC. 1002. TECHNICAL AND CONFORMING AMENDMENTS.

29 USC 706.

(a) AMENDMENTS TO THE GENERAL PROVISIONS.—

(1) Section 7(3) of the Act is amended by striking out "designated State units" and inserting in lieu thereof "designated State unit".

(2) Section 7(11) of the Act is amended—

(A) by striking out subparagraph (B) and inserting in lieu thereof "(B) testing, fitting, or training in the use of prosthetic and orthotic devices,"; and

(B) in subparagraph (F) by inserting "psychiatric," before "psychological".

(b) AMENDMENTS TO TITLE I.—

29 USC 750.

(1) Section 130(b)(2) of the Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Education".

29 USC 751.

(2)(A) Section 131 of the Act is repealed.

(B) The table of contents of the Act is amended by striking out the item relating to "Sec. 131".

29 USC 761a.

(c) AMENDMENTS TO TITLE II.—Section 202(j)(1) of the Act is amended by striking out "at an institution of higher education".

(d) AMENDMENTS TO TITLE III.—

29 USC 771.

(1) Section 301(b)(1) of the Act is amended by striking out "Commission" and inserting in lieu thereof "Commissioner".

29 USC 774.

(2) Section 304(a)(2) of the Act is amended by striking out "program, and" and inserting in lieu thereof "program, and".

29 USC 775.

(3) Section 305(c) of the Act is amended by redesignating paragraph (3) as paragraph "(2)".

29 USC 776.

(4) Section 306 of the Act is amended by striking out "305(g)" and inserting in lieu thereof "305(f)".

(e) AMENDMENTS TO TITLE V.—

29 USC 791.

(1) Section 501 of the Act is amended by striking out "Office of Personnel Management" each place it appears and inserting in lieu thereof "Equal Employment Opportunity Commission".

(2)(A) Section 501(d) of the Act is amended by striking out "of the the activities" and inserting in lieu thereof "of the activities".

29 USC 792.

(B) Section 502(d)(2)(A) of the Act is amended by striking out "any, final order" and inserting in lieu thereof "any final order".

(C)(i) Section 502(d)(3) of the Act is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Education".

(ii) Section 502(d)(3) of the Act is further amended by striking out "with respect overcoming to" and inserting in lieu thereof "with respect to overcoming".

(D) Section 502(e)(2) of the Act is amended by inserting "and" after "noncompliance".

29 USC 793.

(3) Section 503(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

29 USC 794.

(4) Section 504 of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

29 USC 795.

(f) AMENDMENTS TO TITLE VI.—Section 611(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

29 USC 796a.

(h) AMENDMENTS TO TITLE VII.—Section 702 of the Act is amended by inserting "(a)" after the section designation.

SEC. 1003. CIVIL RIGHTS REMEDIES EQUALIZATION.

42 USC 2000d-7.

(a) GENERAL PROVISION.—

State and local governments. USC prec. title 1.

(1) A State shall not be immune under the Eleventh Amendment of the Constitution of the United States from suit in Federal court for a violation of section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, or the provisions of any other Federal statute prohibiting discrimination by recipients of Federal financial assistance.

29 USC 794. 20 USC 1681. 42 USC 6101 note. 42 USC 2000a note.

(2) In a suit against a State for a violation of a statute referred to in paragraph (1), remedies (including remedies both at law and in equity) are available for such a violation to the same extent as such remedies are available for such a violation in the suit against any public or private entity other than a State.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall take effect with respect to violations that occur in whole or in part after the date of enactment of the Rehabilitation Act Amendments of 1986.

SEC. 1004. COST RATE REPORT OF THE SECRETARY.

(a) ASSESSMENT.—The Secretary of Education shall conduct an assessment of the direct and indirect cost rates charged to State agencies designated to administer or supervise the administration of the State plan under the Rehabilitation Act of 1973 by other State agencies.

State and local governments.

29 USC 701 note.

(b) REPORT.—Not later than February 1, 1987, the Secretary shall submit a report of such assessment to the Congress. Such report shall include recommendations regarding alternative methods for establishing indirect cost rates, including establishing predetermined fixed rates by statute and prescribing standards for negotiating such rates.

SEC. 1005. MAINTENANCE OF EFFORT.

20 USC 1414 note.

(a) GENERAL PROVISION.—Notwithstanding any other provision of the Education of the Handicapped Act, the Secretary and the State educational agency, in the case of section 614(a)(2)(B)(ii) of that Act, shall not include expenditures made from an accrued fund reserve surplus after July 1, 1983, and prior to October 1, 1985, which are used for services for handicapped children.

State and local governments. Handicapped persons.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to fiscal years beginning after September 30, 1983.

29 USC 701 note.

SEC. 1006. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act shall take effect on the date of its enactment.

Approved October 21, 1986.

LEGISLATIVE HISTORY—H.R. 4021 (S. 2515):

HOUSE REPORTS: No. 99-571 (Comm. on Education and Labor) and No. 99-955 (Comm. of Conference).

SENATE REPORTS: No. 99-388 accompanying S. 2515 (Comm. on Labor and Human Resources).

CONGRESSIONAL RECORD, Vol. 132 (1986):

May 6, 7, considered and passed House.

Sept. 8, considered and passed Senate, amended, in lieu of S. 2515.

Oct. 2, House agreed to conference report.

Oct. 3, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 22 (1986):

Oct. 21, Presidential statement.